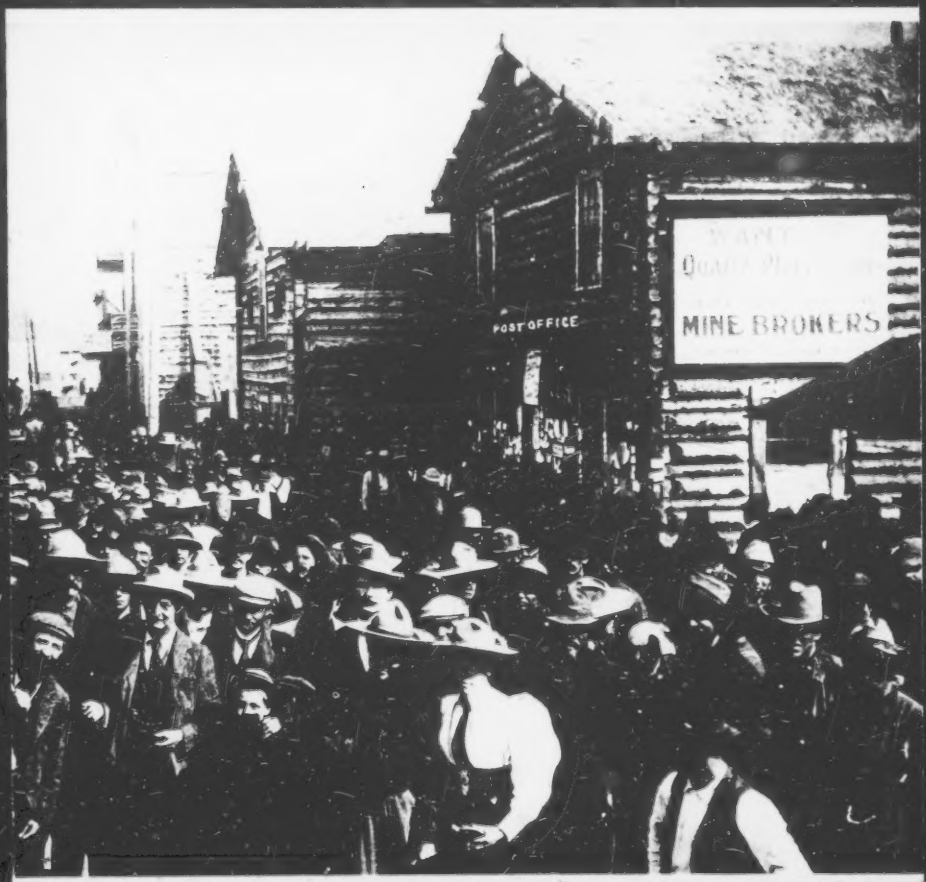
OCTOBER 1985
ALASKA ECONOMIC TRENDS

Alaska Department of Labor Bill Sheffield, Governor, State of Alaska



1 Population Growth and Migration in Alaska

Alaska Economic Trends

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Funded by:

October 1985
Volume 5
Issue 10

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Cover photograph by P.E. Larss.

Alaska Economic Trends is published monthly by the Alaska Department of Labor, Research and Analysis Section, PO Box 25501, Juneau, Alaska 99802-5501.

POSTMASTER: Send address change to ALASKA ECONOMIC TRENDS, PO BOX 25501, Juneau, Alaska 99802-5501.

The following notes pertain to Nonagricultural Wage and Salary Employment Tables:

Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

Benchmark date March 1984.

P/ Denotes preliminary estimates.
R/ Denotes revised estimates.

Population Growth and Migration in Alaska

By Greg Williams

Population statistics for the state of Alaska have historically been characterized by periods of expansion followed by periods of contraction depending on the economic climate of the state. However, the net result has been an overall increase in the population of the state. With good economic times Alaska's population increased from 495,300 in 1983 to 523,048 in 1984, a 5.6% increase.

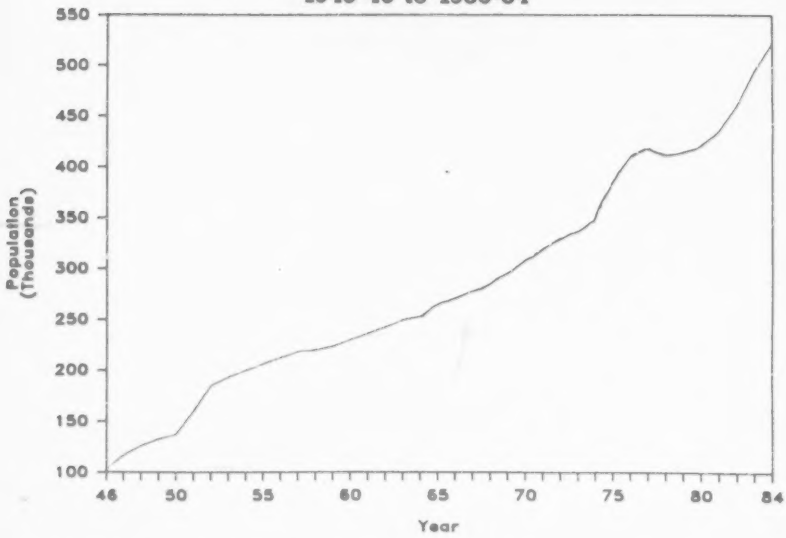
Population Trends

Alaska's population growth since World War II has been impressive, as shown in Table 1 and Figure 1. The period from the end of World War II until 1952 saw rapid growth in Alaska's population, with the greatest increase during the military buildup for the Korean Conflict. The average annual growth rate for this period was 9.6% per year. From 1952 to 1965, Alaska underwent a much slower, but smoother, average annual growth rate of 2.7% per year. During the period from 1965 through 1973 the rate of population growth gradually increased, producing an average annual growth rate of 3.0% per year.

The construction of the oil pipeline had an impact on population growth during the period from 1973 to 1976. The average annual growth rate during this period was 6.6% per year. The completion of the pipeline construction 'boom' was clearly followed by a 'bust' during the 1976-1980 period. During 1977-78, Alaska actually had a net out-migration of about 6,400 people. The average annual growth rate over the four year period, however, was 0.6% per year as growth in the population due to natural increases offset this out-migration.

Beginning in 1981, another economic boom began, primarily as the result of construction and infrastructure development fueled by both state and private spending. The rapid increase in state spending and the resulting private sector optimism were based on oil prices and state oil tax revenues. As a result, Alaska's population has grown by approximately 30% in four and a quarter years, making it the most rapidly growing state in America

Figure 1
Alaska Population Trends
1945-46 to 1983-84



since the 1980 census. The main part of this growth occurred from 1980-1983 during which the average annual growth rate was 5.9% per year. The peak of this growth occurred in 1982-83 and began to slow during 1983-84 with an average annual growth rate of 5.5%. The average annual growth rate for the U.S. as a whole during the 1980-84 period was 1.0% per year.

While no official estimates of the population exist yet for July 1, 1985, preliminary indications are that growth will be slowing much as it did in the 1976-80 period after the pipeline construction boom. The trend toward slower, more moderate growth has resulted from a slowdown in capital spending by state government and private enterprise. The slowdown of spending has occurred because of the current lower price of oil on the world market. However, if the net balance of migration to Alaska during 1984-85 were to be zero, the 1985 population of the state should reach 533,000 due to natural increase alone.

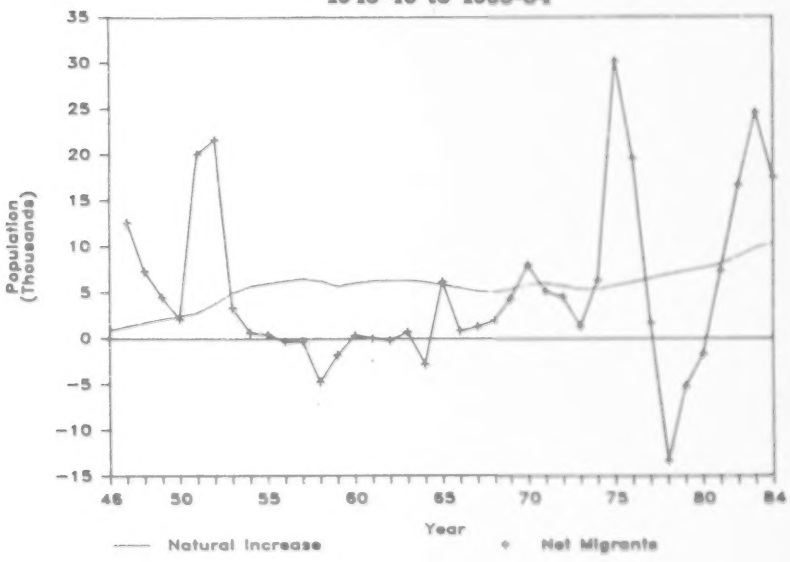
The pace of economic growth, and in turn the population of Alaska, will depend upon the relative demand for Alaskan resources in the U.S. and world economies and will also depend on the amount of federal spending in Alaska. Despite fluctuations in

Alaska's population growth, the overall trend during the post-war period has been towards strong positive growth, with over a fivefold increase in population since 1946. While economic optimism and investment in some areas of Alaska, particularly in construction, have periodically been greater than underlying demographic conditions warranted, overall population growth has and should continue.

Components of Change

Population change is composed of two components, natural increase (births and deaths) and migration (as shown in Table 1 and Figure 2). In general, natural increase is the relatively stable component of population change. Death rates change very slowly, and while current fertility fluctuates depending on a variety of factors, the general trend in births does not change pace or direction rapidly. Migration is the most volatile component in Alaska's population change, often changing dramatically from one year to the next.

Figure 2
Alaska Components of Growth
1945-46 to 1983-84



Between July 1, 1983, and July 1, 1984, 12,208 persons were born in Alaska and 1,903 persons died, for a net natural increase of 10,305 persons. Alaskan births are currently equivalent to about 2.5% of the population and deaths about 0.4% of the population at the beginning of each year. The net growth as a result of natural increase is 2.1% per year.

Migration was a larger component of change than natural increase in about one-third of the years since 1945. The highest post-World War II proportional growth due to migration occurred during the build up for the Korean War in 1950-51 (14.7%), 1951-52 (13.6%), and during 1945-46 (12.3%). In part, these high percentages were a result of a small population base in these years. The net migration for 1982-83 was numerically larger than in 1950-51, but was equivalent to only 5.3% of the 1982 population. The largest single numerical increase due to migration (30,235 or 8.7%), occurred during pipeline construction in 1974-75. The largest numerical loss (-13,356 or 3.2%), occurred at the end of the pipeline construction in 1977-78. Between July 1, 1983 and July 1, 1984, Alaska gained 17,453 persons through migration. This is 1.7 times the gain through natural increase.

Migration

Where there is rapid population growth as discussed above, well over half of the growth is accounted for by migration as opposed to natural increase. In the past we have lacked accurate migration indicators. This inability to measure migration accurately has been the most important factor in the inaccuracy of population estimates.

Beginning in 1984, Internal Revenue Service migration statistics were made available to Alaska. While these statistics have been available to the U.S. Census Bureau for some time and have aided in the generation of Census Bureau estimates, they have only recently been released to the states. This data significantly improved our ability to track the migration component of population change by providing an independent indicator of migration.

Tabulating the data for IRS migration requires comparing about 90 million income tax return records for two years for change of address. The result is a matrix of 3,141 by 3,141 counties, or county equivalents, with the total number of no change, out-

migrants and in-migrants for every county in America. To insure confidentiality, only the county totals are reported to the Census Bureau by IRS, and where county-to-county flows are small, they are suppressed. Further, these statistics as provided to the states can only be released as migration rates so that the actual number of filers and exemptions are not released.

As valuable as these data are for estimating migration they do have limitations. Only the number of filers and dependents on returns for persons under 65 are counted. IRS migration misses persons who do not file tax returns in one or both years being compared, as a result new filers are missed. Statistics may be supplemented by using statistics on the changing number of medicare recipients to track change among older citizens. One limitation of importance to Alaska is that the movement of persons living on subsistence and not filing tax returns are missed.

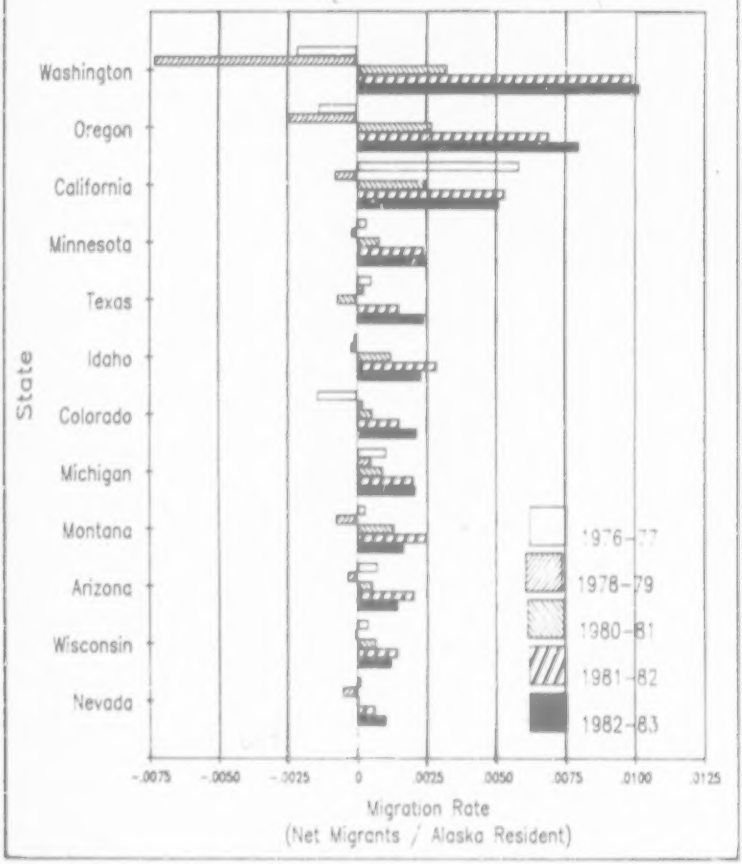
Migration involves two distinct movements: in-migration, those persons moving into an area; and out-migration, those moving out of an area. What is usually reported as migration is the net balance of these two forces, or 'net migration'. This is the net gain or loss to a community due to migration. Also of interest to some persons is the 'gross migration'. This is the total amount of movement which results from adding the in and out migration. Real estate agents are frequently interested in gross migration because every time someone moves in or out they may potentially generate real estate business. If the in-migration equals the out-migration, then the net migration will be zero. However, if the turnover is high, the gross migration may be quite substantial. This is generally the case in areas with large transient populations such as areas with large military populations. In such places, station strengths may remain stable but troops are rotated on a regular basis.

Net and Gross Migration to Alaska

Trends in gross and net migration to and from the states which contributed the most to the exchange of migrants with Alaska are presented in Figures 3 and 4. In general, people tend to more frequently move short distances as opposed to long distances. It is no surprise then, that the most migrants to Alaska

are contributed by the west coast and mountain states nearest to Alaska. Of all the people who have moved to or from Alaska in the 1980's, about half moved to or from: Washington (14%), California (12%), Oregon (7%), Texas (7%), Colorado (4%), Florida (4%), Idaho (3%), or Arizona (3%). The remaining states contributed 2% or less each to the stream of migrants. Migration from Texas tends to be oil related and the migration from Florida tends to consist mostly of military and Coast Guard migrants.

Figure 3
Net Migration to Alaska
1976-77 to 1982-83



Alaska Hours and Earnings for Selected Industries 1/ 2/

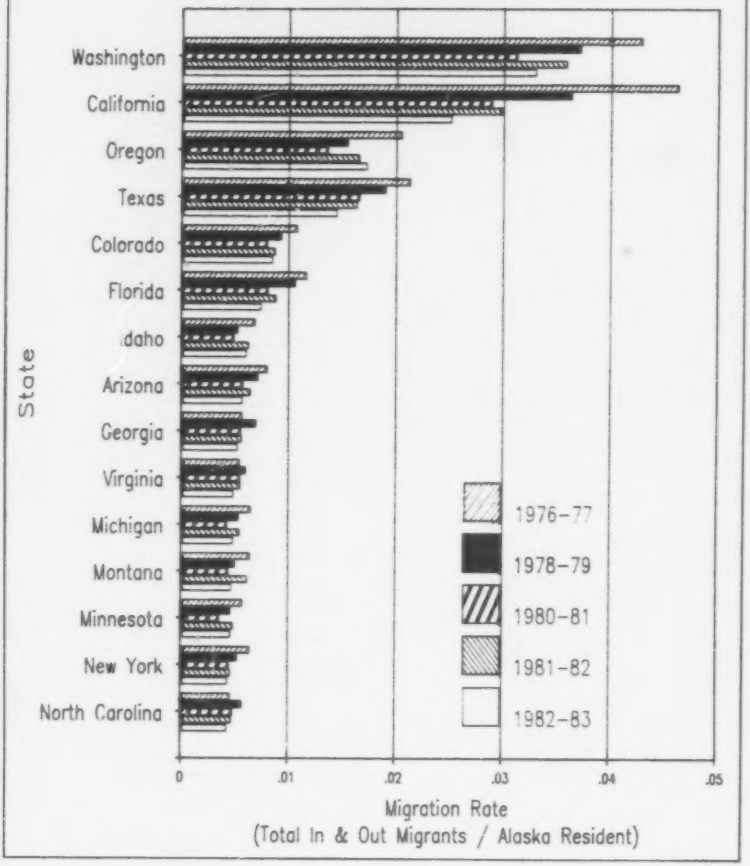
	Average Hourly Earnings			Average Weekly Hours			Average Weekly Earnings		
	P/ 7/85	R/ 6/85	7/84	P/ 7/85	R/ 6/85	7/84	P/ 7/85	R/ 6/85	7/84
Mining	23.84	22.91	23.51	50.9	50.9	49.6	1213.46	1166.12	1166.10
Contract Construction	24.14	24.41	24.88	42.5	42.9	43.6	1025.95	1047.19	1084.77
Manufacturing	10.46	11.67	9.91	38.7	37.8	44.3	404.80	441.13	439.01
Food & Kindred Prod.	8.65	7.67	8.00	37.9	33.8	45.9	327.84	259.25	367.20
Lumber & Paper Prod.	16.02	16.68	15.42	39.7	45.0	38.0	635.99	750.60	585.96
Trans., Comm. & Utilities	15.51	15.39	15.76	37.6	38.4	40.1	583.18	590.98	631.98
Trade	11.99	11.74	10.71	34.6	35.1	37.0	414.85	412.07	396.27
Wholesale	15.19	14.70	13.53	37.5	37.9	39.2	569.63	557.13	530.38
Retail	10.63	10.50	9.54	33.5	34.0	36.2	356.11	357.00	345.35
Finance, Ins. & R.E.	—	—	—	—	—	—	442.26	455.54	391.24

1/ Prepared in cooperation with the Bureau of Labor Statistics US Department of Labor.

2/ Excludes eating and drinking establishments.

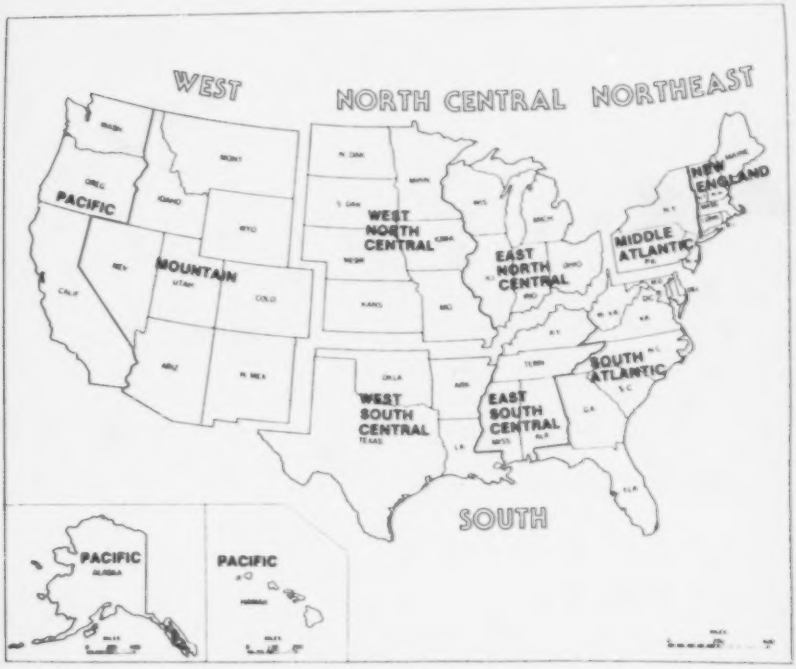
AVERAGE HOURS AND EARNINGS SERIES. Averages are based on data for full and part time production workers (manufacturing) and non-supervisory workers (nonmanufacturing) and are for gross earnings and hours paid, including overtime pay and hours.

Figure 4
Gross Migration for Alaska
1976-77 to 1982-83



The regional distribution of persons who moved to and from Alaska in the 1980s are as follows: Pacific (34%), Mountain (16%), South Atlantic (13%), West South Central (11%), East North Central (7%), West North Central(7%), East South Central(4%), Middle Atlantic (4%), and New England (3%). The South Atlantic states have a heavier than expected contribution of migrants because they are the home of a number of major military and Coast Guard bases which regularly rotate personnel to Alaska.

In general, the states that contribute the most to an in-migration in times of prosperity in Alaska are also the states that people go back to when times get hard. Changes in in-migration, however, are more rapid than changes in out-migration. People are more easily attracted to an area than repelled from an area. If there is not a positive attraction to lure a potential migrant somewhere else, then all options to remaining in a place must generally be exhausted in order for a person to leave. More often than not, the decision to migrate is a mixture of attractions and repulsions which collectively affect the decision to move. While there are many factors affecting a family's or individual's decision to move, the most important factor for persons of working age is availability of work.



Given the regional distribution of migrants to Alaska, it is not surprising that while migration to and from the state is in part dependent upon federal military and program policy, it is also strongly dependent upon Alaska's economic opportunities relative to those in the West and in particular the Pacific Northwest.

A more detailed discussion of Alaska population trends, migration and the population of census areas and places is available in *Alaska Population Overview* currently available from the Alaska Department of Labor.

Summary

As estimated by the Alaska Department of Labor, Alaska's population as of July 1, 1984, was 523,048. The estimated population for the United States as of July 1, 1984, was 236,681,000. Alaska's land area of 570,833 square miles is 16.3% of the total land area of the United States while Alaska's population in 1984 consisted of 0.2% of the population of the United States. Alaska has an average of 0.91 persons per square mile. When Anchorage, which contains 46% of the state's population, is excluded from the calculation, the remainder of Alaska averaged 0.49 persons per square mile. Since most Alaskans live in towns and villages or clustered settlements, some remote areas of the state like Yukon-Koyukuk have as few as 50 persons per 1,000 square miles.

Table 1
Annual Components of Population Change for Alaska
1945-1984

July 1 to June 30	End of Period Population	Pop. Change	Components of Change			
			Births	Deaths	Natural Increase	Net Mig.
1945-46	103000		2050	1220	830	
1946-47	117000	14000	2490	1200	1290	12710
1947-48	126000	9000	2890	1180	1710	7290
1948-49	132600	6600	3300	1190	2110	4490
1949-50	137100	4500	3620	1220	2400	2100
1950-51	160000	22900	4110	1310	2800	20100
1951-52	185500	25500	5130	1310	3820	21680
1952-53	193800	8300	6270	1280	4990	3310
1953-54	200100	6300	6910	1240	5670	630
1954-55	206500	6400	7190	1200	5990	410
1955-56	212400	5900	7480	1220	6260	-360
1956-57	218600	6200	7730	1240	6490	-290
1957-58	220100	1500	7450	1200	6250	-4750
1958-59	224000	3900	6830	1170	5660	-1760
1959-60	230400	6400	7290	1250	6040	360
1960-61	236700	6300	7560	1300	6260	40
1961-62	242800	6100	7610	1290	6320	-220
1962-63	249900	7100	7670	1320	6350	750
1963-64	253200	3300	7480	1380	6100	-2800
1964-65	265200	12000	7170	1390	5780	6220
1965-66	271500	6300	6810	1320	5490	810
1966-67	277900	6400	6410	1300	5110	1290
1967-68	284900	7000	6350	1317	5033	1967
1968-69	294600	9700	6670	1330	5340	4360
1969-70	308500	13900	7230	1370	5860	8040
1970-71	319600	11100	7435	1443	5992	5108
1971-72	329800	10200	7126	1461	5665	4535
1972-73	336400	6600	6776	1466	5310	1290
1973-74	348100	11700	6831	1466	5365	6336
1974-75	384100	36000	7260	1495	5765	30235
1975-76	409800	25700	7691	1570	6122	19579
1976-77	418000	8200	8142	1611	6532	1669
1977-78	411600	-6400	8606	1650	6956	-13356
1978-79	413700	2100	8983	1649	7334	-5234
1979-80	419700	6000	9309	1645	7664	-1664
1980-81	435200	15500	9786	1698	8088	7413
1981-82	460837	25637	10714	1754	8960	16678
1982-83	495290	34453	11713	1850	9863	24591
1983-84	523048	27758	12208	1903	10305	17453

Source: Alaska Department of Labor, Research & Analysis, Demographic Unit, 1985.

Alaska

By Edward Eboch

Economic Outlook

The forecasted downturn in the Alaska economy is beginning to be supported by the seasonally adjusted employment hours and earnings and the labor force data. The composite nonagricultural employment index, seasonally adjusted for Alaska (see graph) indicates little or no growth while for Anchorage it has trended downward rather dramatically since the first of the year. While the Department of Labor employment estimates indicate a year to year increase in employment, the percent increase continues to be smaller over time. Even this year to year increase is suspect because actual data now available for the first quarter of 1985 indicates that the estimates were slightly optimistic. Also, revised employment estimates for July are down from the preliminary numbers. The estimates of labor force data indicate an August decline in both the labor force and in employment for the first time since 1979 (see the center insert). Average hours during the past two months have also been estimated to be below last year's in nearly all industries. The exception for July was in lumber and paper products, a result of mill closings that had the remaining employees putting in overtime (see Hours and Earnings Tables).

Construction remains the most difficult industry to estimate. For example, the information regarding housing starts is inconsistent with our residential construction sample, which shows an increase in employment from August of last year. The problem is that if firms are leaving the industry the remaining firms may in fact be experiencing more employment at a time when total employment is dropping.

The Oil Outlook

According to the International Energy Agency, oil consumption in Organization for Economic Cooperation and Development countries (which include the U.S., Japan and most Western European countries) was down by 3.5% in the second quarter after a drop of 2% in the first quarter of 1985. This downturn occurred during an expanding economic period and after an increase in consumption last year. At the present time there is little improvement in demand expected during the current

quarter and no assurance that the winter months will result in year to year gains. If reports are to be believed a continued deterioration in crude oil prices can be expected. The implications for the state's budget and the impact on Alaska's economic activity in general are only too obvious.

Growth in Establishments

While employment growth in Alaska since 1981 has been impressive, not all industries have equally enjoyed the benefits of this growth. Nor have the opportunities for new entries into the various industries been equally available (see table). The percent increase in the number of firms in the construction industry exceeded the increase in employment. Construction has traditionally been an easy industry for new firms to enter. Transportation, communications and public utilities traditionally have been just the opposite, industries where new firms found it difficult to enter. This has changed with deregulation of the transportation industry as new firms have entered faster than the increase in employment. This increase in the industry employment has required both existing firms and new firms to be more efficient with the result being less employment per firm.

Nonagricultural Wage and Salary Employment
By Place of Work
Alaska

	P/ 8/85	R/ 7/85	8/84	Changes From: 7/85	8/84
Nonag. Wage & Salary	245700	245900	243500	-200	2200
Mining	9700	9700	9200	0	500
Construction	23400	22300	25600	1100	-2200
Manufacturing	19400	21100	18900	-1700	500
Food & Kindred Prod.	13800	15300	13300	-1500	500
Lumber & Paper Prod.	2300	2600	2400	-300	-100
All Other Mfg.	3300	3200	3200	100	100
Trans. Comm & Utilities	20500	20300	20000	200	500
Trucking & Whseing.	2400	2300	2600	100	-200
Water Transportation	1700	1700	1600	0	100
Air Transportation	6800	6800	6300	0	500
Other Trans. Comm. & Utilities	9600	9500	9500	100	100
Trade	47400	47300	47500	100	-100
Wholesale	9100	9000	8900	100	200
Retail	38300	38300	38600	0	-300
Gen. Mer. & Apparel	5500	5300	5400	200	100
Food Stores	6400	6500	6000	-100	400
Eating & Drinking Pl.	14200	14300	14800	-100	-600
Other Retail Trade	12200	12200	12400	0	-200
Finance-Ins. & R.E.	13500	13500	12900	0	600
Services & Misc.	46300	46000	45100	300	1200
Government	65500	65700	64300	-200	1200
Federal	18300	18200	19300	100	-1000
State	19600	19900	18600	-300	1000
Local	27600	27600	26400	0	1200

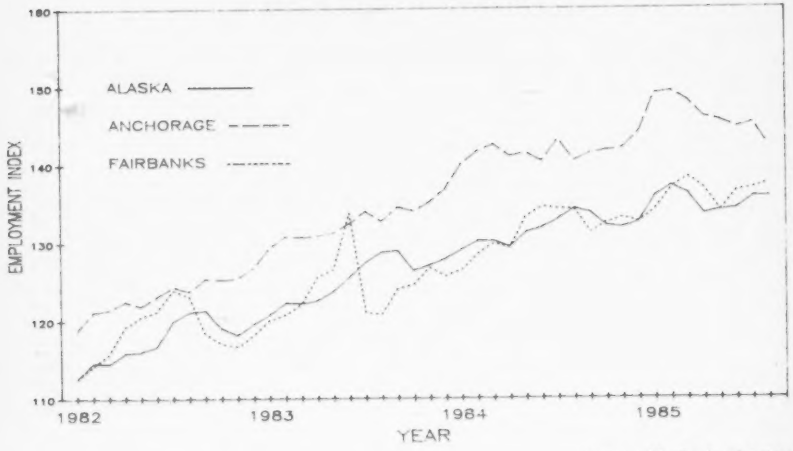
Prepared in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.

Government includes teachers in primary and secondary schools and personnel employed by the University of Alaska.

Benchmark Date March 1984

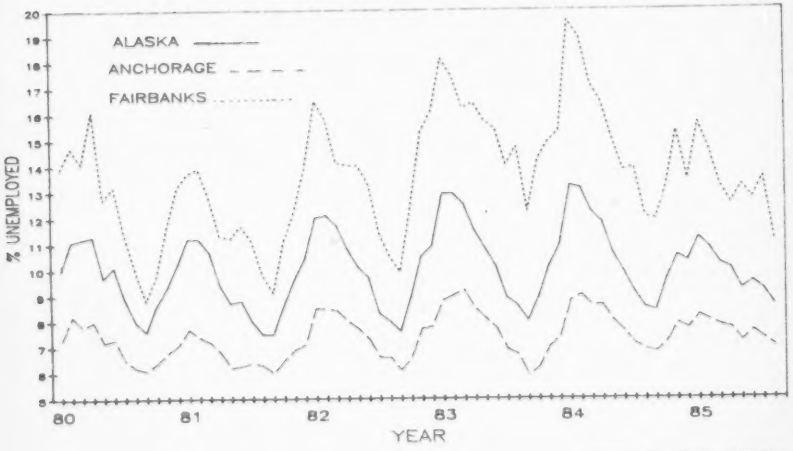
P/ Denotes Preliminary Estimates.
R/ Denotes Revised Estimates.

Composite Nonag. Employment Indexes
Seasonally Adjusted
1982 to Present



source: Ak. Dept. of Labor

UNEMPLOYMENT RATES
NOT SEASONALLY ADJUSTED
1980 To Present



source: Ak. Dept. of Labor

Anchorage/MatSu

By Greg Huff

Anchorage Business Services

The segment of the Anchorage economy categorized as business services accounted for 1,870 new jobs between 1980 and 1984, a 56% growth. Business services contains ten primary components which differ in regard to the services they offer. Business services range from public relations to window washing. They do not include segments of government which play a major part in providing services to private enterprise.

Those business services firms with the expertise to do specialty work are hired because businesses, associations, and government agencies have found it increasingly difficult to keep up with rapidly expanding technology in a wide range of fields. In addition, the expense to maintain full time staffs for specialty functions is often prohibitive.

Business services have been among the fastest growing industries in recent years not only in Anchorage but throughout the United States. The largest component of business services is the miscellaneous business services sector, Standard Industrial Classification (SIC) 739 (see Table 2, SIC codes for sector breakdown.) This component accounts for nearly half of total business service employment. Within this category the management, consulting, and public relations group represents the largest share. This group was also among the fastest growing. Employment expanded 150% from 1980 levels to 980 in 1984, and the number of firms increased from 93 to 153. This industry is highly competitive, consisting mainly of small, entrepreneurial firms averaging 6.3 employees in 1984.

Government activities and policies have a definite impact on consultants. Government contracts are the lifeblood to many consulting and research firms, particularly those specializing in economic, environmental and demographic issues. With falling state revenues the consulting expenditures will also likely fall with it. The growth trend for management and public relations employment will continue but may slow as the growth in the Anchorage economy slackens.

The next largest component of the miscellaneous business service sector is comprised of detective and protective agencies. The number of security guards was virtually constant from 1980 to 1984. The competition in this industry is keen and entry into the market is relatively easy. The number of firms increased nearly two fold from 1980 to 1984. The majority were small to medium in size (1 to 25 employees) as indicated by the average number of employees per firm, which dropped from 44 to 30.

Employment in the third largest segment of miscellaneous business services, equipment rental, is extremely sensitive to construction activity. From 1980 to 1984 when construction activity was at its height rental equipment employment increased 152% to over 380 and the number of firms operating in the Anchorage market expanded from 39 to 67. Employment will likely fall as construction activity slows.

Many companies leave the recruitment and screening of workers to experts in personnel services when they seek to hire temporary workers during peak work load periods, to substitute for sick or vacationing employees, or where they recruit for permanent staff. During the period of 1980 through 1984, when total employment in Anchorage expanded 40%, personnel services companies benefited considerably. Personnel services employment grew one and a half times faster than employment growth for the Alaska economy as a whole and the number of employees per establishment increased from 17.6 to 23.2. Also, the number of firms increased to 38, up 14 firms from 1980. A fall in the number of job orders, as Anchorage's economic growth slows, will hamper continued growth in the personnel service industry.

Employment in businesses which clean and maintain buildings grew little from 1980 to 1984, despite the large number of buildings that were erected during that period. The business is very competitive and in general the market is easy to enter as indicated by the increase in the number of firms from 71 to 113 while the average number of employees dropped from 10.7 to 7.5. Employment in this sector will continue to grow slowly and remain highly competitive.

Computer and data processing services employment, and the average size of an establishment, more than doubled during

the period. In 1980 the average size was slightly over six employees per firm and grew to 12 by 1984. Entry into the market is more difficult than with other business services because of the capital expenditures needed. Few firms entered the Anchorage market. Those that did enter the market were established computer and data processing firms from the lower 48 which already had business dealings in Anchorage. This sector will continue to experience above average growth in the future.

Advertising, a very specialized and competitive sector, employed 166 workers in 1984, an 85.5% increase over 1980 employment levels. The entry of five establishments increased the number to 19. Growth is likely in the future, but an economic slowdown may force advertising expenditures down.

Current Trends

Fewer construction jobs and moderating employment increases in the trade and services sectors brought Anchorage's employment growth to the lowest levels in over six years. This decline, however, does not indicate that Anchorage's economy is approaching recessionary levels, rather it indicates a period of adjustment, a period to consolidate gains made between 1980 and 1984. Although employment growth has slowed substantially, unemployment is not increasing—employment and population growth have both slowed. Layoffs in the seafood processing plants have begun as another good salmon season begins to wind down. Over the year declines in federal government employment reflect the transfer of the Alaska Railroad from federal to state ownership.

Alaska Reporting Establishments
(1981-1984)

	Fourth Quarter 1981	Fourth Quarter 1982	Fourth Quarter 1983	Fourth Quarter 1984	Percent Change 4Q81-4Q84	Percent Change Annual Average Employment 1981-1984
Mining	254	260	249	250	-1.6	-1.2
Construction	2021	2506	3100	3378	67.1	55.8
Manufacturing	512	528	495	516	.1	-19.5
Trans. Comm. Public Utilities	931	971	1033	1060	13.9	3.3
Wholesale Trade	672	730	754	803	19.5	33.1
Retail Trade	2506	2655	2698	2979	18.9	34.6
Finance-Insurance & Real Estate	897	946	986	1060	18.2	41.4
Services	4029	4332	4658	4999	24.1	29.2
Agriculture	222	207	218	226	1.8	
Non-Classified	220	379	372	448	103.6	
Total Private Ownership	12264	13514	14563	15719	28.2	23.0

Reporting Unit: Consists of any establishment or job site for which data is separately identified on the employer contribution report or supplemental report. An individual or company which has two or more separate establishments located within the same geographic area engaged in the same industrial activity is counted as a single reporting unit. In order to obtain a more detailed and accurate classification of employment and wages, a company operating establishments with employment in more than one geographic area submits a report for each area; and companies engaged in distinctly different lines of industrial activity at one or more locations submit separate reports for each activity. Each such report is counted as a separate reporting unit. Self employed individuals are excluded from reporting units.

Table 1
Anchorage Business Services Employment
1980 and 1984

(SIC)	Average Employment 1980	Number Firms 1980	Average Employment 1984	Number Firms 1984	Employment Change
731	90	15	166	19	84%
732	*	*	*	*	
733	76	15	221	29	191%
734	828	71	864	113	4%
735	*	*	*	*	
736	579	24	942	40	63%
737	197	30	410	38	108%
739	1387	176	2476	322	79%
7391	*	*	*	*	
7392	397	90	943	154	138%
7393	503	10	505	18	0%
7394	163	37	365	62	124%
7395	*	*	*	*	
7397	*	*	*	*	
7399	205	38	398	68	94%
Total	3329	535	5201	879	56%

* Not shown to avoid disclosure of data for individual firms.
Source: Alaska Dept. of Labor, Research and Analysis Section.

Nonagricultural Wage and Salary Employment
By Place of Work
Anchorage

	P/ 8/85	R/ 7/85	8/84	Changes From: 7/85	8/84
Nonag. Wage & Salary	119000	119150	117600	-150	1400
Mining	4200	4100	4100	100	100
Construction	11800	11400	12350	400	-550
Manufacturing	3550	3900	3400	-350	150
Food & Kindred Prod	1350	1700	1250	-350	100
Other Mfg	2200	2200	2150	0	50
Trans. Comm. & Utilities	9900	9850	9900	50	0
Trucking & Whseing	1300	1250	1450	50	-150
Water Transportation	450	450	450	0	0
Air Transportation	4000	4000	4000	0	0
Other Trans. Comm. & Utilities	4150	4150	4000	0	150
Trade	28450	28500	27750	-50	700
Wholesale	6800	6950	6650	-150	150
Retail	21650	21550	21100	100	550
Gen. Merchandise	1600	1550	1650	50	-50
Food Stores	3300	3200	3200	100	100
Eating & Drinking Pl	8450	8500	8300	-50	150
Other Retail Trade	8300	8300	7950	0	350
Finance-Ins. & R.E.	9200	9100	9050	100	150
Services & Misc.	26500	26650	25900	-150	600
Government	25400	25650	25150	-250	250
Federal	10150	10100	10650	50	-500
State	6600	6750	6200	-150	400
Local	8650	8800	8300	-150	350

Nonagricultural Wage and Salary Employment
By Place of Work
Anchorage-MatSu

	P/ 8/85	R/ 7/85	8/84	Changes From: 7/85	8/84
Nonag. Wage & Salary	127200	127250	124950	-50	2250
Mining	4250	4150	4100	100	150
Construction	12950	12550	13700	400	-750
Manufacturing	3700	4050	3550	-350	150
Trans. Comm. & Utilities	10750	10650	10650	100	100
Trade	30350	30350	29500	0	850
Finance-Ins. & R.E.	9600	9600	9150	0	450
Services & Misc.	28100	28200	27050	-100	1050
Government	27500	27700	27250	-200	250

Labor Force By Region and Census Area

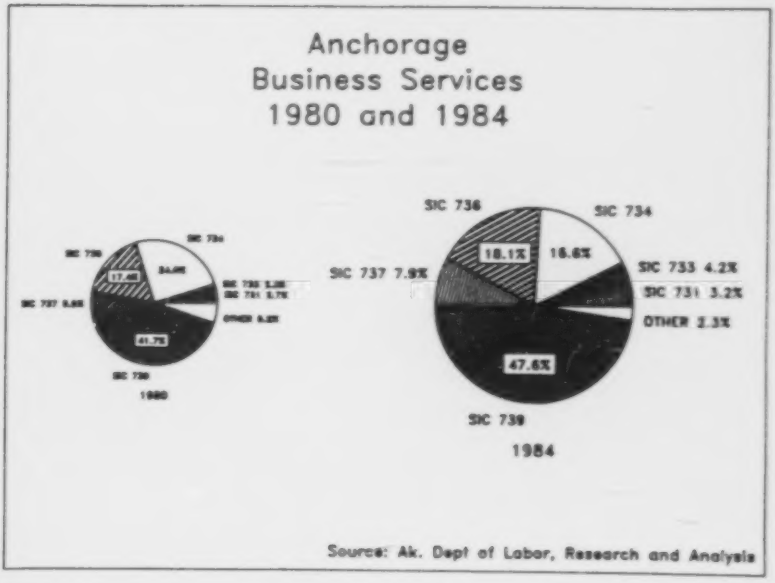
	Labor Force			Unemployment			Rate			Employment		
	P/ 8/85	R/ 7/85	8/84	P/ 8/85	R/ 7/85	8/84	P/ 8/85	R/ 7/85	8/84	P/ 8/85	R/ 7/85	8/84
Alaska Statewide	259475	263841	260115	22394	24259	21466	8.6	9.2	8.3	237081	239582	238649
Anch.-MatSu Region	136228	137810	135313	10613	11151	9488	7.8	8.1	7.0	125615	126659	125825
Anchorage Borough	121838	123209	121388	8589	9019	7950	7.0	7.3	6.5	113249	114190	113438
MatSu Borough	14390	14601	13925	2024	2132	1538	14.1	14.6	11.0	12366	12469	12387
Gulf Coast Region	30742	32099	30597	2728	2891	2553	8.9	9.0	8.3	28014	29208	28044
Kenai Peninsula Bor	19261	20044	19036	2166	2220	1922	11.2	11.1	10.1	17095	17824	17114
Kodiak Island Bor	6926	7276	6925	309	376	300	4.5	5.2	4.3	6617	6900	6625
Valdez-Cordova	4555	4779	4636	253	295	331	5.6	6.2	7.1	4302	4484	4305
Interior Region	38342	39090	38318	4082	5090	4050	10.6	13.0	10.6	34260	34000	34268
Fairbanks North Star Borough	31144	31742	30989	3465	4272	3303	11.1	13.5	10.7	27679	27470	27686
Southeast Fairbanks	2977	3013	3076	189	247	288	6.3	8.2	9.4	2788	2766	2788
Yukon-Koyukuk	4221	4335	4253	428	571	459	10.1	13.2	10.8	3793	3764	3794
Northern Region	8600	8703	8422	1133	1269	985	13.2	14.6	11.7	7467	7434	7437
Kobuk	2683	2760	2747	340	427	413	12.7	15.5	15.0	2343	2333	2334
Nome	3533	3576	3500	407	465	387	11.5	13.0	11.1	3126	3111	3113
North Slope Borough	2384	2367	2175	386	377	185	16.2	15.9	8.5	1998	1990	1990
Southeast Region	33296	33582	35243	2713	3033	3297	8.1	9.0	9.4	30583	30549	31946
Haines Borough	1015	1030	1085	52	68	79	5.1	6.6	7.3	963	962	1006
Juneau Borough	12853	12989	13505	1015	1164	1139	7.9	9.0	8.4	11838	11825	12366
Ketchikan Gateway Borough	6951	7071	7789	464	592	1013	6.7	8.4	13.0	6487	6479	6776
Prince of Wales-Outer Ketchikan	2492	2520	2555	288	318	253	11.6	12.6	9.9	2204	2202	2302
Sitka Borough	4459	4330	4401	554	429	322	12.4	9.9	7.3	3905	3901	4079
Skagway Yakutat-Angoon	1979	2018	2106	152	193	197	7.7	9.6	9.4	1827	1825	1909
Wrangell-Petersburg	3547	3624	3802	188	269	294	5.3	7.4	7.7	3359	3355	3508
Southwest Region	12267	12557	12222	1125	825	1093	9.2	6.6	8.9	11142	11732	11129
Aleutian Islands	2906	3021	2951	114	81	162	3.9	2.7	5.5	2792	2940	2789
Bethel	4949	5014	4854	644	481	554	13.0	9.6	11.4	4305	4533	4300
Bristol Bay Borough	463	480	462	25	19	25	5.4	4.0	5.4	438	461	437
Dillingham	1970	2022	1965	123	77	120	6.2	3.8	6.1	1847	1945	1845
Wade Hampton	1979	2020	1990	219	167	232	11.1	8.3	11.7	1760	1853	1758

P/ Preliminary R/ Revised 1984 Benchmark

Federal guidelines require the use of unrounded labor force data, adjusted to be consistent with the Current Population Survey (CPS) in formulas used to allocate federal funds. Comparisons between different time periods are not as meaningful as other time series published by the Alaska Department of Labor, because Alaska's CPS sample size is inadequate to accurately indicate monthly changes in level. The sampling errors are random in nature, meaning that the unemployment rates, in any given month, are as likely to be high as frequently as they are low. The official definitions of unemployment, currently in place, exclude anyone who has made no attempt to find work in the four week period up to and including the week that includes the twelfth of each month. Most economists feel that Alaska's bush localities have proportionately more of these discouraged workers.

Table 2
Standard Industrial Classification

SIC Code	Type of Business
731	Advertising Agencies
732	Consumer Credit Reporting Agencies
733	Mailing, Reproduction, Commercial Art and Photography
734	Services to Dwelling and Other Buildings
735	News Syndications
736	Personnel Supply Services
737	Computer and Data Processing Services
739	Miscellaneous Business Services
7391	Research and Development Laboratories
7392	Management, Consulting and Public Relations Services
7393	Detective Agencies and Protective Services
7394	Equipment Rental and Leasing Services
7395	Photo-finishing Laboratories
7397	Commercial Testing Laboratories
7399	Business Services, Not Elsewhere Classified



Fairbanks/Interior

By Neal Fried

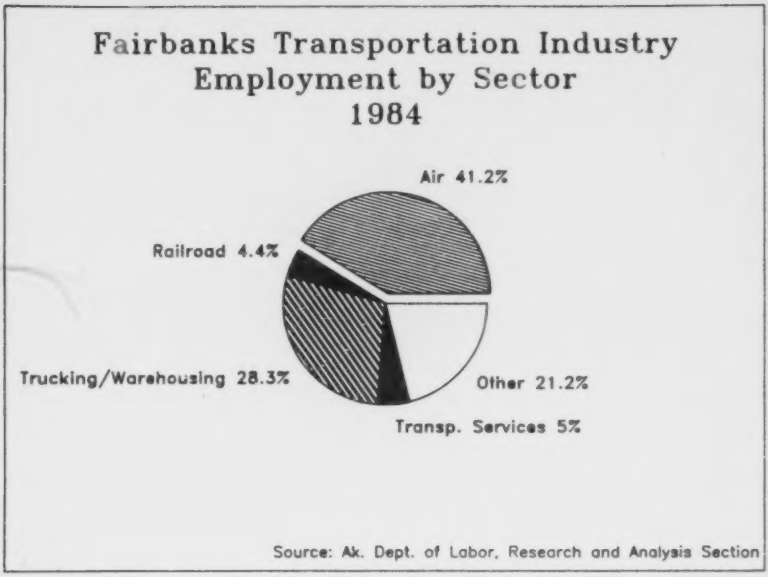
Fairbanks' Transportation Industry

Fairbanks is often referred to as the transportation hub of the Interior and Northern Regions of the state. Do the statistics support this contention? At the present time approximately 6% of Fairbanks' wage and salary work force, 1,800 people, earn their livelihood in this industry. This may not sound significant but when compared to the national average of 3% it becomes apparent that comparatively, transportation does play an important role in the Fairbanks economy.

Transportation is a broad category which includes air, trucking and warehousing, pipeline, railroad, and other miscellaneous transportation. Most of these categories are self explanatory except transportation services and 'other transportation'. Transportation services is composed largely of travel agencies, while other transportation includes water transport, taxicabs, pipelines, school buses, and miscellaneous transportation.

Because of disclosure laws which prevent release of data that might disclose information about an individual firm, some of these categories have been combined in this article for reporting purposes. The North Star Borough's public transport system is not included because these statistics are part of local government numbers. The railroad statistics are normally found in the government sector but were broken out for this article because of the importance of the railroad to the Fairbanks' transportation industry.

Over the past five years the transportation industry in Fairbanks has not been growing rapidly. Though its 19% rate of growth during this time has been more than respectable, it has not kept up with the area's 33% overall growth. Deregulation of both the trucking and air industry, along with a number of other factors have made transportation a volatile industry.



While trucking and warehousing employment has been cyclical over the past five years, overall employment has increased. Economic expansion in Fairbanks, the remainder of the Interior, and the North Slope fueled most of this growth. Deregulation and the national recession created a fiercely competitive climate where many firms became more competitive or went out of business and where new firms, many offering alternative services, were created.

The air transportation industry has not differed significantly from trucking and warehousing. This is transportation's single largest sector, with 41% of the industry's employment. Growth in this segment of the industry was sporadic. An early blow to this industry was the loss of the international air carriers which stopped in Fairbanks before continuing on to the Orient or Europe. The amount of freight moving through the Fairbanks International Airport has been falling steadily, partially as a result of the international carrier losses but also due to more competition from trucking and sea-lift traffic heading to the oil fields. Wien Airline's withdrawal from the region pulled employment down temporarily, but Mark Air's entry into the market quickly filled in for this loss. The number of small commuter and

freight airlines to service the bush grew quickly as a result of deregulation and Wien's withdrawal. Unlike freight, passenger traffic grew for a number of years and is presently holding steady.

The remainder of Fairbanks' transportation industry has also experienced change. Alyeska Pipeline Service Company reduced its work force cutting away at the 'other transportation' category. The Alaska Railroad was sold in early 1985 to the state after 61 years of federal ownership. It is still too early to tell what effect this will have on Fairbanks' segment of the railroad.

In spite of difficulties, the transportation industry has managed employment growth. This industry's health is largely dependent on the health of the local economy and over the past five years Fairbanks' has enjoyed economic prosperity. The present slowing of the local economy will make it more difficult for transportation employment to grow, however one bright prospect is a projected increase in North Slope activity.

Current Trends

Fairbanks' employment for this year is close to reaching its peak level in August. August's wage and salary employment was 30,450. The only year this number was exceeded in August was in 1975 when the construction of the trans-Alaska pipeline was in full swing. This number indicates employment in the Fairbanks economy is growing at approximately a 2% rate over the year. Most of this growth continues to come from the area's secondary industries including retail trade; services; finance, insurance and real estate; and government.

The unemployment picture remains stable. Fairbanks' unemployment rate of 11.1% in August, 1985 is slightly higher than the unemployment rate of 10.7% in August 1984. The number of unemployed has grown over the year, but so has the number employed, keeping the rate largely unchanged.

Nonagricultural Wage and Salary Employment
By Place of Work
Fairbanks

	P/ 8/85	R/ 7/85	8/84	Changes From: 7/85	8/84
Nonag. Wage & Salary	30450	30100	29750	350	700
Mining	200	200	250	0	-50
Construction	3950	3600	3950	350	0
Manufacturing	650	650	600	0	50
Trans. Comm. & Utilities	2950	3000	3000	-50	-50
Trucking & Whseing	450	500	450	-50	0
Air Transportation	900	900	850	0	50
Other Trans. Comm. & Utilities	1600	1600	1700	0	-100
Trade	6500	6550	6200	-50	300
Wholesale	1100	1100	1100	0	0
Retail	5400	5450	5100	-50	300
Gen. Mer. & Apparel	600	650	550	-50	50
Food Stores	800	850	800	-50	0
Other Retail Trade	4000	3950	3750	50	250
Finance-Ins. & R.E.	1050	1050	1000	0	50
Services & Misc.	5950	5900	5850	50	100
Government	9200	9150	8900	50	300
Federal	2900	2900	2850	0	50
State	3800	3800	3600	0	200
Local	2500	2450	2450	50	50

Nonagricultural Wage and Salary Employment
By Place of Work
Interior

	P/ 8/85	R/ 7/85	8/84	Changes From: 7/85	8/84
Nonag. Wage & Salary	35300	34700	34650	600	650
Mining	350	350	350	0	0
Construction	4100	3750	4150	350	-50
Manufacturing	700	700	600	0	100
Trans. Comm. & Utilities	3700	3750	3800	-50	-100
Trade	6950	7050	6750	-100	200
Finance-Ins. & R.E.	1150	1100	1050	50	100
Services & Misc.	6600	6350	6300	250	300
Government	11750	11650	11650	100	100

Gulf Coast

By Neal Fried

The Summer Season

Though all of the Gulf Coast's economic activity is not confined to the summer season, it is the time of the year indicative of the economic health of the area. When summer rolls around each year the big question becomes whether it will be a good construction, fishing or tourism season. If it is going to be a good year, not only will employment in these industries grow their typical seasonal share but they will have gains over the previous summer.

Gulf Coast's summer season has insured that 1985 will be recorded as another year of growth. The region's employment has increased approximately 5% for the summer of 1985. This is below the average for the past four years, but it remains a more than respectable rate as most of the area's industries have contributed to this growth in employment.

The area's seasonal industries, tourism, fishing and construction, all exhibited employment gains again this year. Tourism is difficult to assess because there are no comprehensive indicators for this industry in the Gulf Coast area. However, information from a number of different sources suggest that the industry improved this year. According to both federal and state park officials, visitation statistics were up this summer. Hotel and motel proprietors had a more mixed response. None reported a slower season, but some reported a flat year and others small increases. Hotel and motel employment statistics indicated a moderate increase. Fewer foreign tourists and more Americans going to Europe because of the strong dollar may explain some of this sluggishness. Anchorage's population, a large source of tourism for the Gulf Coast region, grew less slowly this year and therefore did not contribute as many new tourists as it has in past years. In spite of this, tourism appears to have improved, contributing to this summer's growth.

This summer's salmon season was better than average. All areas within the region with the exception of Kodiak reported larger catches than last year. This provides some compensation for the low shellfish harvests the area has been experiencing for

a number of years. The abundant salmon catch has also meant more fish processing this year, pushing our wage and salary employment figures higher.

Though 1985's construction season did not start off as the past few years, it did manage to record gains. Unlike some areas of the state, the Gulf Coast did not over-build the residential sector to the degree many other parts of the state had. Subsequently, the number of residential building permits issued for the first six months of the year for the area was slightly higher than in 1984. Commercial and public construction were also active this summer.

Nineteen eighty-five's strong summer has meant that thousands of workers who depend on seasonal work for their livelihoods were successful this year. As many as 9,000 more workers were employed in July, the region's peak month, compared to January, the area's low month. There are indicators that next year's summer labor market could be tighter. Construction is expected to slow because of declining oil revenues and less population growth. These two factors will affect other industries in the region. Tourism will continue to expand, but at a slower pace because Anchorage's population is not expected to grow much in 1986.

Nonagricultural Wage and Salary Employment
By Place of Work
Gulf Coast

				Changes From:	
	P/ 8/85	R/ 7/85	8/84	7/85	8/84
Nonag. Wage & Salary	25200	26150	24650	-950	550
Mining	850	900	800	-50	50
Construction	2800	2450	2800	350	0
Manufacturing	6300	7600	6250	-1300	50
Food & Kindred Prod.	5600	6850	5600	-1250	0
All Other Mfg.	700	750	650	-50	50
Trans. Comm. & Utilities	2100	2100	2150	0	-50
Trade	4030	4000	3750	50	300
Wholesale	650	600	550	50	100
Retail	3400	3400	3200	0	200
Finance-Ins. & R.E.	700	700	650	0	50
Services & Misc.	3550	3550	3350	0	200
Government	4850	4850	4900	0	-50
Federal	550	550	550	0	0
State	1550	1550	1550	0	0
Local	2750	2750	2800	0	-50

Southeast Alaska

By John Boucher

Southeast Alaska 1980 to 1984

From 1980 to 1984 the Alaska economy grew at an almost frenzied pace. Growth in terms of employment was slightly over 30% during this five year period, while the population of Alaska increased by more than 120,000, a growth rate similar to employment. To put this growth rate into perspective, consider the fact that if this growth were sustained, Alaska would double its 1980 population and employment by 1995.

The stimuli for this dramatic growth were somewhat varied, however, there were two major factors responsible for much of this growth; a dramatic increase in the amount of oil revenue being generated by the Prudhoe Bay oil fields, and the recession that was occurring throughout much of the continental U.S. The increase of oil revenue to 4.1 billion dollars in 1983 stimulated employment growth in a myriad of ways, from increasing state government employment directly through expanded services, to construction employment growth through large capital projects, subsidized housing mortgages, and industrial development programs, and even by spending large amounts of money to promote the tourism and fishing industries within Alaska. All of these became possible through the dramatic oil price increase of 1979.

The stimulation of employment growth by oil revenues happened to come at a time when much of the rest of the country was experiencing the worst recession of the post-war era. The dynamic Alaskan economy was a magnet for the unemployed construction and displaced factory workers of the Pacific Northwest and from the Midwestern states. These factors all added up to one of the biggest five year growth phases in Alaska's history.

As is often the case with dramatic growth in any economy, the growth was not evenly distributed amongst all sectors of the economy nor was it spread equally throughout the different geographic regions of the state. Southeast Alaska was a relative-

ly slow growth area of the state during these five years. While statewide employment and population both grew over 30%, Southeast Alaska's population grew 13% while employment grew only 8.1%. Examination of employment growth by industry gives some insight into why Southeast was a laggard compared to the rest of the state.

Southeast Alaska's economy has traditionally had two dominant basic industries, government and manufacturing. Government, with its three sectors of federal, state and local, has been the single largest employer in Southeast Alaska. The state government is the largest of these sectors, followed by local government and the federal government. The manufacturing industry, composed primarily of seafood processing employment and wood processing employment, has traditionally been Southeast Alaska's largest private employer. From 1980 to 1984, however, the traditional underpinnings of the Southeast economy began to become uprooted.

In 1980, manufacturing employment accounted for 16.6% of all wage and salary employment in the Southeast region. Market conditions in both the wood products and seafood processing sector began to erode in that year and employment began falling between 1% and 2% annually until manufacturing accounted for slightly over 10% of total employment in the region. By 1985 nearly 1,500 jobs in the manufacturing sector had been lost, with about two-thirds of those being in the lumber and paper products sector. It is worth noting that had the manufacturing industry stayed at its 1980 level throughout this period, employment growth in the region would have been nearly 14% instead of the 8% that occurred. This doesn't include the additional secondary industry jobs that could have been supported had these jobs been present.

The manufacturing industry was not the only industry which experienced employment declines during this period. Transportation, communication and public utilities lost nearly 600 jobs in the five year period. Part of this decline is attributed to the closure of the White Pass Yukon railroad, and the rest of the employment drops occurred in the water and air transportation sectors. The slowdown in water transportation is attributed to the decline of stevedoring activity related to the ailing manufacturing sectors.

Federal government employment was the other major employment loser from 1980 to 1984, but the employment drop from 1980 to 1984 is slightly overstated. In 1980 the decennial census was taking place and employment in Southeast increased almost 200 from 1979's level because of census enumerators being added to the federal payroll. The drop in employment of approximately 200 employees from 1981 to 1984 is accounted for largely by the transfer of Mt. Edgecumbe High School from federal to state control. This employment loss should be largely recovered under the auspices of state government after reopening of the school.

In summary, several major causes can be singled out as drags on employment growth in Southeast Alaska from 1980 to 1984; the closure of the White Pass Yukon railroad; the temporary shutdown of Mount Edgecumbe High School; and most important of all, the world wide slump in the forest and fish products industry. It is useful to note that other areas of the state that are dependent upon the manufacturing industry for a good portion of their wage and salary employment had very similar experiences to the Southeast region. The Kodiak and Cordova areas are two excellent examples of this phenomenon.

Growth Within the Region

Just as growth was not equally distributed among the regions of the state from 1980 to 1984, neither was growth evenly distributed among the census areas within the Southeast region. As would be expected, areas whose economies are more dependent upon manufacturing employment did not fare well.

The Wrangell-Petersburg, Sitka, and Ketchikan census areas all have been dependent upon the wood processing and seafood processing industries for a good portion of their wage and salary employment and the poor performance of these communities in terms of employment growth is attributable to this dependence. The Wrangell-Petersburg census areas suffered the most during this period, losing 19.1% of employment from 1980. Sitka was the next largest employment loser at 12.5% of 1980 employment, and Ketchikan was the only other census area to experience an employment loss, with 2.0% of total employment lost from 1980 to 1984. It is important to note here that these figures do not include self-employed individuals or agricultur-

Fairbanks Transportation Employment by Industry
1980-1984

	1980	1981	1982	1983	1984	Percent Change 1980-1984
Total Transportation	1493	1671	1748	1663	1776	19.0%
Trucking/Warehousing	390	462	489	429	503	29.0%
Air	622	634	558	677	731	17.5%
Railroad	85	101	85	67	78	-8.2%
Transportation Services	52	62	66	81	88	69.2%
Other Transportation	344	412	549	409	376	6.6%

Source: Alaska Department of Labor, Research and Analysis Section.

al workers. This is especially crucial when evaluating economic conditions in these communities because fishermen are not being counted and they provide a very important source of employment and income to these communities as well as other communities in Southeast Alaska.

Communities that have a broader base of industries or that have little or no wood or seafood processing employment fared reasonably well during this period. The Skagway-Yakutat-Angoon census area for example had beneficial growth in the tourism industry during this time. The employment growth in services as well as growth in construction employment helped this area cushion the loss of the White Pass Yukon railroad and its annual payroll of 4.5 million dollars. The Haines census area was also a benefactor of the growth in the secondary industries of trade and services due to tourism. In term of percentage growth in employment, the Haines census area was right behind Juneau, growing 22% from 1980 to 1984.

Juneau employment grew 23% from 1980 to 1984 largely on the strength of a post capital move expansion and the addition of state and local government employment. A residential and commercial construction boom followed by an expansion in the secondary industries of trade and services added nearly 2,600 new jobs to the Juneau economy during this five year period.

Unemployment Since 1980

While the employment news for the communities of Southeast was somewhat mixed, unemployment in nearly every census area of the region was worse in 1984 than in 1980. The troubles in the wood products industry as well as the closure of the White Pass Yukon railroad contributed to the higher unemployment. Another reason for higher unemployment was the large role that construction employment growth played in the Southeast economy during this period. Even during extremely good construction years employment in this industry tend to have built-in periods of inactivity either due to weather or other seasonal factors. A result of an increasing percentage of construction employment in the region could be an overall increase in the unemployment rate.

An even more important factor in the growth of unemployment

in the region during this period was in-migration from the continental U.S. In other regions of the state, employment growth was strong enough to keep pace with new entrants into the labor force from out of state. In the Southeast region though employment was not growing as rapidly as the labor force was expanding and an increasing unemployment rate was the result.

Current Trends

Southeast Alaska wage and salary employment moved up slightly in the month of August to 31,900, increasing 350 jobs over July's level. That translated into an increase in employment of a little more than 1% over the month. Employment was down 2% from August of 1984, which meant that there were 650 more jobs in Southeast Alaska last year than there were this August. The majority of the job loss over the year can be attributed to the drop in construction employment, which lost 600 jobs in the Southeast economy compared to last August.

Manufacturing employment continues to be the story of the summer in the Southeast economy. In August there wasn't much change in total employment at the industry level, however there was a major shift in employment in manufacturing's sub-sectors. The closure of the Sitka pulp mill and related side effects in the wood products industry caused an employment drop of 400 jobs in the lumber and paper products sector. Meanwhile, the strong salmon runs in Southeast continued to push food and kindred products employment upward, gaining 450 jobs over the month. It should be noted here that in the long term, those 400 jobs lost at the Sitka pulp mill are much more important to the Southeast Alaska economy because they tend to be higher paying, stable year round employment, while the 450 jobs gained in the fishing industry over the month will in all probability be gone by next month.

Table 1
Southeast Alaska Employment Growth by Census Area

Census Area	1980	1981	1982	1983	1984
Haines Borough	573	547	603	611	700
Juneau Borough	10838	11498	12194	12763	13432
Ketchikan Gateway	5841	5598	5714	6024	5723
Prince of Wales-Outer Ketchikan	1278	1502	1510	1544	1683
Sitka	3742	3739	3434	3347	3271
Skagway-Yakutat-Angoon	1328	1455	1594	1565	1526
Wrangell-Petersburg	2979	2722	2631	2605	2402
Southeast Alaska	26570	27061	27680	28459	28737
Percent of State	15.7%	14.6%	13.9%	13.4%	12.9%

Table 2
Southeast Alaska Employment Growth by Industry

	1980	1981	1982	1983	1984
Nonag. Wage & Salary	26711	27097	27730	28567	28844
Construction	1212	1404	1516	1988	1784
Manufacturing	4425	3959	3721	3240	2982
Food & Kindred Prod.	1329	1201	1092	908	871
Lumber & Paper Prod.	2887	2539	2400	2106	1882
All Other Mfg.	210	219	229	226	230
Trans. Comm. & Utilities	2522	2506	2238	2021	1950
Trade	3586	3854	4154	4411	4587
Wholesale	298	300	334	444	388
Retail	3288	3544	3820	3967	4199
Finance-Ins. & R.E.	1070	1089	961	1000	1046
Mining, Services & Misc.	3255	3420	3856	4312	4564
Government	10639	10879	11276	11593	11931
Federal	2500	2283	2216	2163	2087
State	4687	4980	5317	5411	5525
Local	3451	3611	3744	4019	4319

Table 3
Southeast Alaska Population /1
1980-1984

	1980	1984	Percent Change
Haines	1680	1839	9.5%
Juneau	19528	23729	21.5%
Ketchikan	11316	12705	12.3%
Prince of Wales-Outer Ketchikan	3822	4652	21.7%
Sitka	7803	7611	-2.5%
Skagway-Yakutat-Angoon	3478	3716	6.8%
Wrangell-Petersburg	6167	6625	7.4%
Southeast	53,794	60,877	13.2%

/1 These numbers are not strictly comparable due to seasonal fluctuations in population. The 1980 numbers are as of April 1, 1980 while the 1984 numbers are as of July 1, 1984.

Table 4
Unemployment Rates by Census Area
1980-1984

	1980	1981	1982	1983	1984
Southeast Region	9.0	10.7	11.4	12.3	12.6
Haines Borough	13.9	13.1	14.3	16.2	13.3
Juneau Borough	7.2	7.4	8.3	9.3	9.9
Ketchikan Borough	9.1	12.2	12.3	12.0	15.1
Prince of Wales-Outer Ketchikan	12.1	16.4	16.7	18.3	15.8
Sitka Borough	7.6	9.1	12.2	10.8	10.0
Skagway-Yakutat-Angoon	12.5	14.0	13.4	20.2	15.0
Wrangell-Petersburg	11.0	13.5	13.4	14.8	16.1

Nonagricultural Wage and Salary Employment
By Place of Work
Southeast Alaska

	P/ 8/85	R/ 7/85	8/84	Changes From: 7/85	8/84
Nonag. Wage & Salary	31900	31550	32550	350	-650
Construction	1850	1800	2450	50	-600
Manufacturing	4650	4600	4650	50	0
Food & Kindred Prod.	2550	2100	2450	450	100
Lumber & Paper Prod.	1850	2250	1950	-400	-100
All Other Mfg.	250	250	250	0	0
Trans. Comm. & Utilities	2300	2200	2150	100	150
Trade	5200	5150	5350	50	-150
Wholesale	450	450	450	0	0
Retail	4750	4700	4900	50	-150
Finance-Ins. & R.E.	1150	1150	1200	0	-50
Mining, Services & Misc.	4900	4900	5000	0	-100
Government	11850	11750	11750	100	100
Federal	2250	2250	2150	0	100
State	5550	5550	5450	0	100
Local	4050	3950	4150	100	-100

Hours and Earnings

By Kathy Thomas

Average Annual Pay for the U.S. and Alaska

Frequently wage data has been presented in previous issues of *Alaska Economic Trends*. The source of most wage data other than average hourly earnings is from ES-202 reports. These reports are required for those industries and businesses covered by unemployment insurance and include monthly employment and quarterly payroll. By dividing total annual payroll by average monthly employment, an annual average pay is computed. For this article average annual pay as calculated by the U.S. Department of Labor, Bureau of Labor Statistics for total U.S., each of the fifty states, and the District of Columbia is used. Also calculated by the Bureau of Labor Statistics is an industrial breakdown of average annual pay for those areas.

Overall Alaska had the highest average annual pay of all the states. At $28,806, it was 57% greater than the U.S. average of $18,350. South Dakota had the lowest average annual pay at $13,532. However, Alaska had the lowest rate of growth in pay from 1983 to 1984, only 0.2%. It was the only state with less than 1% growth in pay. The national average was 4.6% and the state with the highest rate of growth was Michigan, 6.3%.

Alaska was no different from most other states in that mining has the highest average annual pay of all industries. For Alaska, in 1984, average annual pay for mining was $56,444. Mining was also one of the strongest industries in terms of growth in pay. At 3.4% this growth in mining pay in Alaska was still less than the national average growth in pay in mining of 4.6%. The District of Columbia was second with an annual average pay in mining of $55,260 but the District of Columbia was an unusual occurrence. Average annual pay in mining in the District of Columbia increased 28.7% from 1983 to 1984 the largest percentage change of any industry and of any state. Mining pay in Maryland, directly adjacent to the District of Columbia, increased 20.6%.

A number of Alaskan industries experienced only nominal in-

creases in pay. These included transportation, communication, and public utilities, 0.4%; wholesale trade, 0.9%; and services, 0.1%. Pay in construction actually declined 5.4%. Even with a decline in average annual pay construction was still one of the higher paid industries in Alaska, second only to mining. Alaska's construction pay was twice the national average for construction. The decline does indicate a slow down of construction activity in the state as contractors attempt to cut costs in competition for contracts. A high construction wage is more indicative of the nature of the industry in Alaska. Shifts tend to be longer in the summer to accommodate the longer daylight hours resulting in more overtime pay. Plus there would be a pay differential for isolated locations lacking in the usual amenities.

In Alaska, as with most other states, the industry with the lowest average annual pay was retail trade. Retail trade was also one of the slower growing industries in terms of wages with a 1.6% change from 1983 to 1984. Besides the high number of entry level jobs in retail trade, there are also a number of part time positions. Since average annual pay is total payroll divided by average monthly employment, a large number of part time employees would result in a lower annual average pay.

When Alaska is compared to Michigan, the state with the most rapid rise in average annual pay, only one industry in Michigan had a higher average annual pay. Manufacturing pay in Michigan was $29,820 compared to Alaska's $25,388. Manufacturing also had the fastest growing pay rate in Michigan, 7.7% from 1983 to 1984. Alaska's manufacturing industry is dominated by seafood processing and timber. Seafood processing, besides having low average hourly earnings is also very seasonal thereby causing the same sort of limitations found in retail trade. Michigan's manufacturing, however, is based on a year round auto industry with a higher paid work force.

Alaska's average annual pay is well above the national average, all other states, and the District of Columbia. However, when government is excluded from the computation, average annual pay for the state declined 1.0%. This decline in pay indicates a general slowdown of industrial activity, especially in construction.

Current Events

Average weekly hours for all industries except lumber and paper products declined from year ago levels. This trend is a continuation from June average weekly hours in which five of the seven industries declined from year ago levels. The data of subsequent months should be evaluated before making conclusive remarks about the trend but the initial impression is that a general slowdown in the Alaskan economy is underway. Other indicators also point to diminishing economic activity in the state (refer to the Alaska article for additional information).

Average hourly earnings in lumber and paper products increased mainly as a result of a change in the industry mix. The Alaska Lumber and Pulp mill in Sitka closed during this period. With fewer employees in that reporting sector its importance is diminished. Logging, which has a slightly higher pay rate, increases in importance and influences overall average hourly earnings at a greater weight than it had previously.

Average Annual Pay
United States and Alaska
1983 and 1984
(All Covered Workers 1/)

State and Industry	Average Annual Pay 1983	Average Annual Pay 1984 2/	Percent Change 1983-84 3/
United States			
Private 4/			
Total	$17,416	$18,175	4.4
Mining	28,833	30,170	4.6
Construction	20,494	20,733	1.2
Manufacturing	21,465	22,594	5.3
Trans. Comm. & Public Utilities	24,034	24,687	2.7
Wholesale Trade	21,511	22,736	5.7
Retail Trade	10,006	10,405	4.0
Finance Ins. and Real Estate	19,583	20,731	5.9
Services	15,351	16,044	4.5
Government	18,162	19,229	5.9
United States Total	17,545	18,350	4.6
Alaska			
Private 4/			
Total	28,511	28,236	-1.0
Mining	54,111	56,444	3.4
Construction	46,342	43,824	-5.4
Manufacturing	24,777	25,388	2.5
Trans. Comm. & Public Utilities	35,227	35,358	.4
Wholesale Trade	30,414	20,698	.9
Retail Trade	16,481	16,738	1.6
Finance-Ins. and Real Estate	24,205	25,349	4.7
Services	22,440	22,459	.1
Government	29,303	30,226	3.2
Alaska Total	28,740	28,806	.2

1/ Includes workers covered by Unemployment Insurance (UI) and Unemploy-ment Compensation for Federal Employees (UCFE) programs.

2/ Data are preliminary.

3/ Percent changes were computed from unrounded average annual pay data and may differ from those computed using data rounded to the nearest dollar.

4/ Includes data for industries in addition to those shown separately.

Alaska Hours and Earnings for Selected Industries 1/ 2/

	Average Hourly Earnings			Average Weekly Hours			Average Weekly Earnings		
	P/ 8/85	R/ 7/85	8/84	P/ 8/85	R/ 7/85	8/84	P/ 8/85	R/ 7/85	8/84
Mining	24.44	23.64	23.12	50.9	51.5	52.2	1244.00	1217.46	1206.86
Contract Construction	24.23	24.10	24.94	43.2	42.7	45.4	1046.74	1029.07	1132.28
Manufacturing	10.74	9.94	10.04	42.0	40.6	50.4	451.08	403.56	506.02
Food & Kindred Prod.	8.58	7.87	8.08	41.0	40.3	53.4	351.78	317.16	431.47
Lumber & Paper Prod.	16.69	16.08	15.77	47.0	40.2	40.5	784.43	646.42	638.69
Trans., Comm. & Utilities	15.52	15.39	15.92	38.4	37.8	39.2	595.97	581.74	624.06
Trade	11.22	11.90	10.53	34.1	34.4	36.1	382.60	409.36	380.13
Wholesale	14.16	15.01	13.17	38.0	38.5	38.3	538.08	577.89	504.41
Retail Trade	9.91	10.57	9.47	32.6	32.9	35.3	323.07	347.75	334.29
Finance, Ins. & R.E.	—	—	—	—	—	—	409.41	442.78	368.71

1/ Prepared in cooperation with the Bureau of Labor Statistics, U.S. Department of Labor.
2/ Excludes eating and drinking establishments.

AVERAGE HOURS AND EARNINGS SERIES: Averages are based on data for full and part time production workers (manufacturing) and non-supervisory workers (nonmanufacturing) and are for gross earnings and hours paid, including overtime pay and hours